



Department of Energy
Acquisition Regulation

No. 94-2R
Date April 25, 1994

ACQUISITION LETTER

AUTHORITY

This Acquisition Letter (AL) is issued by the Procurement Executive pursuant to a delegation from the Secretary and under the authority of the Department of Energy Acquisition Regulation (DEAR) Subpart 901.301-70.

CONTENTS

CITATION

TITLE

970.1901	Small Business and Small Disadvantaged Business Concerns
919.501	Set-Asides for Small Business
970.7104-12	Small Business and Small Disadvantages Business Concerns

- I. Purpose. The purpose of this Acquisition Letter is to implement a series of initiatives intended to expand the opportunities for small businesses, small disadvantaged businesses, and 8(a) certified firms in the award of Department of Energy contracts and the award of subcontracts by the Department of Energy management and operating contractors.
- This Acquisition Letter revision authorizes contractors for environmental remediation specific to a Department site and management and operating contractors to award construction subcontracts to 8(a) firms on a noncompetitive basis up to a value of \$5 million.
- II. Background. This Acquisition Letter is published to assist the achievement of fiscal year 1994 small business goals.
- III. Guidance. Department of Energy contracting activities shall implement the following authorities.
- a. Management and operating contractors are required by paragraphs (d)(9) and (d)(10) of the clause at 52.219-9 to flow that clause to subcontracts valued in excess of \$500,000 (\$1 million for construction) and provide appropriate reports. First tier subcontractors and each qualifying lower tier subcontractor are required to do likewise.

The Department of Energy contracting officers and small business specialists should assure that the clause is appropriately flowed down and that the necessary reports are provided to the next higher tier subcontractor through the prime contractor for submission to the Department in accordance with the clause.



- b. The Department contracting officers shall forward, as soon as possible after receipt in the procurement office, copies of all procurement request packages valued in excess of \$3 million to the Department of Energy Office of Economic Impact and Diversity for review by that office.
- c. Heads of Contracting Activities may authorize nonmanagement and operating contractors with contracts for environmental remediation of a specific Department of Energy site or sites to institute in writing a program that will result in the award of purchases with a value of \$3 million or less, or \$5 million or less for construction, on a noncompetitive basis to firms certified as participants in the Small Business Administration's 8(a) Program. If such a program is instituted, the contractor shall assure that awards are to be made at fair market prices and reported to the contracting officer.
- d. In the administration of contracts awarded by the Department pursuant to the Small Business Administration's 8(a) Program, Department of Energy contracting officers are authorized to delegate to Department of Energy management and operating contractors contract administration functions that do not require the exercising of contracting officer authority or direct communication with the Small Business Administration. In such instances the delegation must be in writing, must specify the functions so delegated, and must be signed by the contracting officer.
- e. In implementing DEAR 970.7104-12(f), a pilot program is established for the following:

Management and operating contractors shall reserve purchases of \$100,000 or less exclusively for small business and purchases of \$50,000 or less exclusively for small disadvantaged businesses where there is a reasonable expectation that bids, competitive as to price, quality, and delivery, will be obtained from two or more responsible firms of the appropriate type.
- f. In implementing DEAR 970.7104-12(f), a pilot program is established for the following:

Management and operating contractors are authorized to provide for a program in their purchasing systems and methods that will result in the award of purchases with a value of \$3 million or less, or \$5 million or less for construction, on a noncompetitive basis to firms certified as participants in the Small Business Administration's 8(a) Program. If such a program is instituted, the management and operating contractor shall assure that awards are to be made at fair market prices and reported to the contracting officer.

IV. Effective Date. This Acquisition Letter is effective on the date of issuance.

V. Expiration Date. This Acquisition Letter is effective until cancelled or superseded.